
EMPLOYEE RECOGNITION PROGRAMS

APPLICATION: Full-time and part-time classified, restricted, "at will," and wage employees.

PURPOSE

This policy promotes programs that recognize an employee's contributions to the overall objectives of the agency and state government.

RECOGNITION PROGRAMS

Agencies shall develop and implement recognition programs to acknowledge employees' contributions to the overall objectives of the agency and state government. The [Employee Recognition Program Handbook](#) provides more detailed information regarding the development of recognition programs.

Recognition Programs covered by this Policy are not intended to replace the provisions of the Service Recognition Policy (1.10), the Employee Suggestion Program (1.21) or the Compensation Policy (3.05), but may be used to supplement them.

Agency Guidelines

Agency guidelines detailing the recognition program should be communicated to employees. These guidelines should provide appropriate information about the program such as:

- The criteria upon which recognition decisions will be based
- A description of the process for selection of employees for recognition awards
- The identification of the person(s) responsible for selecting recognition award recipients
- A description of the awards and manner of presentation

RECOGNITION APPROACHES

Recognition approaches may be Formal, Planned, and/or Immediate. An agency may determine the recognition approach that best supports its mission or goals.

Formal Recognition

This approach is characterized by high profile, organization-wide events that occur at least annually. These events are used to acknowledge achievement of employees' contributions to the agency or state government. Examples may include:

- Service Recognition Awards (see Policy 1.10)
- Virginia Public Service Week
- Employee(s) of the Year Awards

Planned Recognition

This approach is characterized by pre-arranged, more frequently scheduled ways of acknowledging contributions and accom-

plishments of an individual or team. This approach is less formal and provides more frequent opportunities to recognize employees. Examples may include awards for:

- Employee of the month
- Attendance
- Safety
- Customer service
- Productivity
- Honoring separating employees
- Noteworthy participation in the Employee Suggestion Program (see Policy 1.21)
- Outstanding achievements

Immediate Recognition

This approach provides recognition at any time for demonstration of behaviors and values of the organization, contributions to the goals and objectives of the organization or work unit and to acknowledge individual or team accomplishments.

Examples may include:

- Teamwork
- A special project
- A new or modified business practice
- Exemplary effort
- Employee appreciation

AWARDS

Agencies may provide monetary, non-monetary and/or leave awards to employees except that recognition leave may not be awarded to wage employees. Some awards have tax implications as described in the sections below.

The total of Monetary and Non-monetary awards shall not exceed two thousand dollars (\$2,000) per employee per fiscal year.

Recognition leave up to five workdays may be awarded to a salaried (non-wage) employee in a calendar (leave) year. The value of Recognition Leave awarded will not be included in the computation of the \$2,000 award limit per employee per fiscal year.

An employee may receive the maximum Monetary and/or Non-monetary award AND the maximum Recognition Leave award.

Monetary Awards

Monetary awards are:

- Those paid by any negotiable instrument (cash, check, money order, and direct deposit) or
- Any item that can be readily converted to cash, such as savings bonds or refundable gift certificates.

Agencies shall not add monetary awards to an employee's base pay.

Non-monetary Awards

Non-monetary recognition awards include non-refundable gift certificates; meals; trips; plaques; trophies; certificates; pencils, pens and desk items; cups and mugs; personal items of clothing such as caps, shirts, and sweatshirts; and other items such as tools, electronics, radios, sports equipment and timepieces.

Requirement to Tax

All monetary awards (regardless of amount) are considered income for the employee and taxed accordingly.

Agencies may not increase award totals by the amount of payroll taxes normally deducted from employees' pay.

Non-monetary awards also may be subject to tax. Agencies shall be responsible for determining whether or not non-monetary awards are taxable, in accordance with IRS tax regulations.

Recognition Leave

Recognition leave lapses within 12 months from the date it is awarded. However, agencies may extend the 12-month retention period for recognition leave if the agency has been unable to allow the employee to use the leave.

An employee shall be paid in a lump sum for his or her recognition leave:

- When the employee leaves state service by resignation, retirement, layoff, termination, or death;
- When the employee is transferred, promoted or demoted from one agency to another; or
- When the employee is placed on Long Term Disability under the Virginia Sickness and Disability Program (VSDP).

In addition, agencies may pay employees for their recognition leave balances if:

- At the end of the 12-month period, the agency has been unable to allow the employee to use the leave, or
- The employee moves from one organizational unit to another within the agency.

Procuring Awards

Agencies may procure monetary and non-monetary awards and items to be used for employee recognition in accordance with

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policies and procedures of the Department of General Services' Division of Purchases and Supply and the Department of Accounts.

Agencies may purchase non-monetary items through the state contract that is held by the Division of Purchases and Supply. Use of this contract by agencies is not mandatory; however, the contract includes multiple vendors and suppliers who provide a wide range of items economically.

AGENCY FUNDING

Agency heads shall ensure the availability of funds to support costs incurred by employee recognition programs. Agencies may use other funding sources as deemed appropriate to support employee recognition.

PRESENTATION

Agencies may determine the manner in which recognition awards are presented.

Any expenses incurred for presentation of awards under this policy shall be reasonable and shall not be deducted from award amounts.

**RECORDS
RETENTION**

Agencies shall retain records related to employee recognition programs in accordance with current state policies and regulations.

AUTHORITY

The Department of Human Resource Management issues this policy pursuant to the authority provided in Chapter 12, Title 2.2 of the Code of Virginia.

INTERPRETATION

The Director of the Department of Human Resource Management is responsible for official interpretation of this policy, in accordance with section 2.2-1201 of the Code of Virginia. Questions regarding the application of this policy should be directed to the Department of Human Resource Management's Office of Compensation and Policy.

The Department of Human Resource Management reserves the right to revise or eliminate this policy.

RELATED POLICIES

1.10, Service Recognition
